

LEG. FINANCE - BILLS 1979 - 1980 1164

HB 711

1164



# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

3/20/90  
Date

Funding Information:  
 General Fund: \$ 7,768,100  
 Other Funds: 4,182,000  
 \$11,950,100

Introduced: 2/11/80  
 Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
 REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 711

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations to the  
 7 Department of Health and Social Services, Division of  
 8 Public Assistance, for Medicaid, General Relief --  
 9 Medical, Aid to Families with Dependent Children, Aid  
 10 to the Disabled, and Old Age Assistance, for Fiscal  
 11 Year 1980; and providing for an effective date."

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

13 ~~\* Section 1. The sum of \$4,916,100 is appropriated to the Department of~~  
 14 ~~Health and Social Services, Division of Public Assistance, to pay legally~~  
 15 ~~obligated medicaid program payments, to be allocated as follows:~~

Allocation	Funding	
	General Fund	Federal Funds
Hospitals	\$ 533,300	\$ 533,400
Physician Services	608,800	608,800
Other Services	217,900	217,900
Early Screening	240,000	240,000
Nursing Homes	858,000	858,000

23 \* Sec. 2. The sum of \$2,961,600 is appropriated from the general fund  
 24 to the Department of Health and Social Services, Division of Public Assis-  
 25 tance, to pay benefits provided clients of the General Relief -- Medical  
 26 Program, to be allocated as follows:

Hospitals	\$1,356,800
Physicians' Services	899,700
Other Services	479,400

*IN Senate version*

1                    ~~Nursing homes~~                    231,700

2        \* Sec. 3. The sum of \$3,447,900 is appropriated to the Department of  
3 Health and Social Services, Division of Public Assistance, for Aid to  
4 Families with Dependent Children, from the following sources:

5	General Fund	Federal Funds
6	\$1,724,000	\$1,723,900

7        \* Sec. 4. The sum of \$421,800 is appropriated from the general fund to  
8 the Department of Health and Social Services, Division of Public Assistance,  
9 Old Age Assistance.

10       \* Sec. 5. The sum of \$202,700 is appropriated from the general fund to  
11 the Department of Health and Social Services, Division of Public Assistance,  
12 for the purpose of providing for Aid to the Disabled.

13       \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
14 10.070(c).

Funding Information:

General Fund: \$ 7,768,100  
Other Funds: 4,182,000  
\$11,950,100

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16 Funding

17 Allocation	General Fund	Federal Funds
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26 Program, to be allocated as follows:

27 Hospitals	\$1,356,800
28 Physicians' Services	899,700
29 Other Services	473,400



POSITION PAPER  
ON  
HOUSE BILL NO. 711

"An act making supplemental appropriations to the Department of Health and Social Services for Medicaid, General Relief Medical, Aid to Families with Dependent Children, Old Age Assistance and Aid to the Blind."

Sections 1 and 2 would make supplemental appropriations to the Medicaid and GR Medical programs. It is the Department's understanding that supplementals for these two programs are also contained in House Bill No. 60 and therefore recommends that section 1 and 2 of House Bill No. 711 be deleted.

Sections 3, 4 and 5 of House Bill No. 711 would make supplemental appropriations to the AFDC, Old Age Assistance (OAA) and Aid to the Disabled (APD) programs (APD) respectively. These supplemental requests were based on June 1979 projections using a relatively new projection model developed by the Department. This projection model successfully predicted FY79 spending levels within a very narrow margin by examining two key variables, caseload and average payment per case since FY77.

The Department has re-examined its FY80 projections since June 1979 on a quarterly basis to measure the integrity of the model's predictions. The Department's most recent re-examination of FY80 projections for AFDC, OAA and APD used historical data available through March 1980. This disclosed that, with 9 months of additional data, expenditure levels in AFDC, OAA and APD will fall short of those levels predicted in June 1979.

Accordingly, the Department recommends the following adjustments to Sections 3, 4 and 5 of House Bill No. 711:

1. Section 3, line 2 (AFDC) be reduced from \$3,447,900 to \$1,859,400 for a reduction of \$1,588,500.
2. Section 4, line 7 (OAA) be reduced from \$421,800 to \$324,000 for a reduction of \$97,800.
3. Section 5, line 10 (APD) be reduced from \$202,700 to \$74,000, for a reduction of \$128,000.

The Department supports House Bill No 711 with the above noted changes as failure to secure these adjusted supplementals will result in insufficient funds to generate June 1980 payments to AFDC, OAA and APD recipients.

Recommended By: Rod Betit  
Rod Betit, Director  
Division of Public Assistance

Date: April 16, 1980

Approved By: Helen D. Beirne  
Helen D. Beirne, Commissioner  
Department of Health and Social Services

Date: 4/16/80

*HB 602 has XIX  
and term also.*

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\$11,950,100

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23 \* Sec. 2. The sum of \$2,961,600 is appropriated from the general fund  
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26 Program, to be allocated as follows:

27 Hospitals	\$1,356,800
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29 Other Services	473,400



(11)

# COMMITTEE REPORT

## HOUSE

2/11/80

FURTHER:

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 711

"An Act making supplemental appropriations to the Department of Health and Social Services, Division of Public Assistance, for Medicaid, General Relief -- Medical, Aid to Families with Dependent Children, Aid to the Disabled, and Old Age Assistance, for Fiscal Year 1980; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

letter x  
Book up

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 25 tance, to pay benefits provided clients of the General Relief -- Medical  
 26 Program, to be allocated as follows:

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5                   General Fund

Federal Funds

6                   \$1,724,000

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12 for the purpose of providing for Aid to the Disabled.

13       \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
14 10.070(c).



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 11, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making supplemental appropriations to the Department of Health and Social Services, Division of Public Assistance, as follows:

Section 1: Appropriating \$2,458,000 from the general fund and \$2,458,100 from federal funds to the department for payment of legally obligated Medicaid program payments. This request is being submitted in accordance with legislative intent which was expressed in the Free Conference Committee Report on the Fiscal Year 1980 Operating and Capital Budget: "A supplemental is to be requested if actual costs exceed the appropriation."

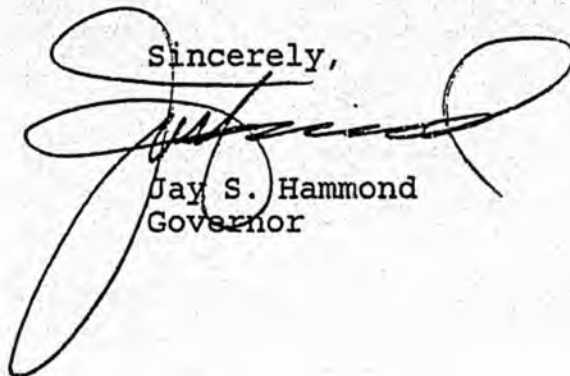
Section 2: Appropriating \$2,961,600 from the general fund to the department for the purpose of paying for benefits provided clients of the General Relief -- Medical program. This funding request is analogous to that requested via budget amendment number 38 during the 1979 legislative session, but which was not funded. This request is being submitted in accordance with legislative intent set out in Section 1 above.

Section 3: Appropriating \$1,724,000 from the general fund and \$1,723,900 from federal funds to the department for the purpose of Aid to Families with Dependent Children. Four factors are involved in this request: (1) this program traditionally requires supplementals; (2) an increase in cases per month has occurred; (3) an increase in average payment per month has occurred; and (4) the legislature expressed its intent that the program operate at full statutory level.

Section 4: Appropriating \$421,800 from the general fund to the department for the purpose of Old Age Assistance payments. Three factors are involved in this request; (1) legislative intent to operate at full statutory level; (2) increase in recipients per month; and (3) increase in average payment per month.

Section 5: Appropriating \$202,700 from the general fund to the department for the purpose of providing Aid to the Disabled. Three factors are involved in this request: (1) this program traditionally requires supplementals; (2) an increase in cases per month has occurred; and (3) an increase in average payment per month has occurred.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Jay S. Hammond', is written over the typed name and title.

Jay S. Hammond  
Governor

066  
NB 711

TO: Ron Lehr, Director  
Division of Budget and  
Management  
Office of the Governor.

DATE: OCT 25 1979

FILE NO:

TELEPHONE NO:

FROM: *Helen D. Beirne*  
Helen D. Beirne, Commissioner  
Office of the Commissioner  
Department of Health and  
Social Services

SUBJECT: FY 80 Supplemental Request  
Department of Health and  
Social Services  
Appropriation Medicaid

The Department of Health and Social Services requests a FY 80 supplemental appropriation for the Medicaid program in the amount of \$4,916,100; of which \$2,458,000 is state general funds and \$2,458,100 is federal funds. This supplemental request has been previously approved in the FY 80 operating plan. (attached)

This program has Legislative Intent as follows:

- A. All legally obligated payments will be made.
- B. Funds are to be used only for Medicaid Services.
- C. A Supplemental is to be requested if actual costs exceed the appropriation.

The FY 80 projection is the same as used in Governor's FY 80 Budget Amendment No. 26 which the Legislature did not fund. The Department does not have any information which would alter these projections at this time.

These projections use the estimated cost of the Medicaid program in FY 78, by individual component, as the base for all calculations. This base was adjusted for the following factors:

Caseload increase A caseload increase reflects the increased number of people eligible to receive services. This increase relates to the increased number of persons eligible for AFDC, AB, AD, and OAA cash assistance programs.

Utilization Rate increase A utilization rate increase reflects the increased percentage of eligibles actually receiving services.

Inflation The rate of inflation shows the increases in the cost of the services provided.

The Nursing Home component was projected nursing home by nursing home basis for FY 79 and FY 80.

Memo to Ron Lehr  
Page 2

	<u>FY 78 Base</u>	<u>FY 79 Projection</u> *28.3%	<u>FY 80 Projection</u> *26.6%	<u>FY 80 FCC</u>	<u>FY 80 Supplemental</u>
<u>Medicaid</u>					
Hospitals	4,115.3	* 5,279.9	* 6,684.4	5,617.7	1,066.7
Physicians Ser.	2,485.3	* 3,188.6	* 4,036.8	2,819.2	1,217.6
Other Services	720.9	* 924.9	* 1,170.9	735.1	435.8
EPSDT	1,349.2	* 1,731.0	* 2,191.5	1,711.5	480.0
Nursing Homes	<u>10,248.3</u>	<u>15,804.5</u>	<u>17,541.6</u>	<u>15,825.6</u>	<u>1,716.0</u>
SUBTOTAL	18,919.0	26,928.9	31,625.2	26,709.1	4,916.1
Indian Health			<u>6,557.6</u>	<u>6,557.6</u>	<u>0</u>
TOTAL			<u>38,182.8</u>	<u>33,266.7</u>	<u>4,916.1</u>

Assumptions:	<u>FY 79</u>	<u>FY 80</u>
Caseload Increase	9.0%	8.29%
Utilization Rate Inc.	6.3%	5.29%
Inflation	<u>10.7%</u>	<u>10.37%</u>
Composite Rate	28.3%	26.6%

When all FY 79 bills have cleared through the system, the Department will update these projections based on FY 79 actual expenditures.

Attachment











Department of Health and Social Services

FY'80 Operating Plan

Appropriation \_\_\_\_\_ Medicaid. \_\_\_\_\_

Although this BRU is not funded at the Governor's amended request level for FY80, legislative intent indicates that the Department should request a supplemental budget if actual costs exceed the appropriation. The Division's projections are in the FY80 plan column of the attached component expenditure plan.

Summary of potential FY80 Supplemental appropriation needs for Medicaid BRU.

Component	FY80 PLAN	FY80 FOC	FY80 Projected Supplemental	Funding	
				FED	GF
Hospitals	6684.4	5617.7	1066.7	533.4	533.3
Physician Service	4036.8	2819.2	1217.6	608.8	608.8
Other Services	1170.9	735.1	435.8	217.9	217.9
EPSDT	2191.5	1711.5	480.0	240.0	240.0
Nursing Homes	17541.6	15825.6	1716.0	858.0	858.0
		TOTAL	4916.1		

Concur Rod Bell  
Division Director/Separate Office Head

Concur Alex O. Beivens  
Commissioner

Concur Samuel H. Zobrist  
Div. of Budget & Management

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL *	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTIN.
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS, ...	3621.4	4348.1	4288.0	5504.7	4147.9	4147.9	614.8	1502.2	3387.7	(1356.8)	
MISCELLANEOUS											
TOTAL	3621.4	4348.1	4288.0	5504.7	4147.9	4147.9	614.8	1502.2	3387.7	(1356.8)	
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	3621.4	4348.1	4288.0	5504.7	4147.9	4147.9	614.8	1502.2	3387.7	(1356.8)	
INTER-AGENCY RECEIPTS											

\* Does not agree with FY80 FCC report approved supplementals for FY78 altered expenditures.

AGENCY: Health & Social Services BRU: General Relief Medical COMPONENT: Hospitals REVISED: \_\_\_\_\_

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL *	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTIN
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS, ...	1232.9	1619.3	1465.2	2050.0	1150.3	1150.3	305.5	483.0	1261.5	(899.7)	2737.1
MISCELLANEOUS											
TOTAL	1232.9	1619.3	1465.2	2050.0	1150.3	1150.3	305.5	483.0	1261.5	(899.7)	2737.1
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	1232.9	1619.3	1465.2	2050.0	1150.3	1150.3	305.5	483.0	1261.5	(899.7)	2737.1
INTER-AGENCY RECEIPTS											

\* Does not agree with FY80 FCC report approved supplemental for FY78 altered expenditures.

AGENCY: Health & Social Services BRU: General Relief Medical COMPONENT: Physicians Services REVISED: \_\_\_\_\_

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL *	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTIN:
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS, ...	993.1	1340.9	1335.8	1697.5	1224.1	1224.1	305.5	347.5	1044.5	(473.4)	2266.1
MISCELLANEOUS											
TOTAL	993.1	1340.9	1335.8	1697.5	1224.1	1224.1	305.5	347.5	1044.5	(473.4)	2266.1
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	993.1	1340.9	1335.8	1697.5	1224.1	1224.1	305.5	347.5	1044.5	(473.4)	2266.1
INTER-AGENCY RECEIPTS											

\* Does not agree with FY80 FCC report approved supplemental for FY78 altered expenditures.

AGENCY: Health & Social Services BRU: General Relief Medical COMPONENT: Other Services REVISED: \_\_\_\_\_

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTI.
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS, ...	575.5	704.3	328.8	915.6	683.9	683.9	64.8	90.8	760.0	< 231.7 >	1144.5
MISCELLANEOUS											
TOTAL	575.5	704.3	328.8	915.6	683.9	683.9	64.8	90.8	760.0	< 231.7 >	1144.5
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	575.5	704.3	328.8	915.6	683.9	683.9	64.8	90.8	760.0	< 231.7 >	1144.5
INTER-AGENCY RECEIPTS											

AGENCY: Health & Social Services BRU: General Relief Medical COMPONENT: Nursing Homes REVISED: \_\_\_\_\_

TO: Ron Lehr, Director  
Division of Budget and  
Management  
Office of the Governor

DATE:

OCT 25 1979

143711

FILE NO:

TELEPHONE NO:

FROM: Helen D. Beirne, Commissioner  
Office of the Commissioner  
Department of Health and  
Social Services

SUBJECT: FY 80 Supplemental Request  
Department of Health and  
Social Services  
Appropriation General Relief  
Medical

The Department of Health and Social Services requests a FY 80 supplemental appropriation for the General Relief Medical program in the amount of \$2,961,600 state general funds. This supplemental request has been previously approved in the FY 80 operating plan. (attached)

This program has Legislative Intent as follows:

- A. Medical reimbursements are to be paid at 100% of the Department's fee schedule.
- B. A supplemental is to be requested if actual costs exceed the appropriation.

The FY 80 projection is the same as used in Governor's FY 80 Budget Amendment No. 38 which the Legislature did not fund. The Department does not have any information which would alter these projections at this time.

These projections use the estimated cost of the General Relief Medical program in FY 78, by individual component, as the base for all calculations. This base was adjusted for the following factors:

Caseload increase A caseload increase reflects the increased number of people eligible to receive services. This increase relates to the increased number of persons eligible for AFDC, AB, AD, and OAA cash assistance programs.

Utilization Rate increase The utilization rate increase reflects the increased percentage of eligibles actually receiving services.

Inflation The rate of inflation shows the increases in the cost of the services provided.

The Nursing Home component was projected nursing home by nursing home basis for FY 79 and FY 80.

Memo to Ron Lehr  
Page 2

	<u>FY 78 Base</u>	<u>FY 79 Projection</u> *28.3%	<u>FY 80 Projection</u> *26.6%	<u>FY 80 FCC</u>	<u>FY 80 Supplemental</u>
<u>General Relief Medical</u>					
Hospitals	3,389.0	* 4,348.1	* 5,504.7	4,147.9	1,356.8
Physicians Ser.	1,262.1	* 1,619.3	* 2,050.3	1,150.3	899.7
Other Services	1,045.1	* 1,340.9	* 1,697.5	1,224.1	473.4
Nursing Homes	506.7	704.3	915.6	683.9	231.7
Catastrophic	450.0	801.8	754.2	754.2	0
Residential/Home Care			166.4	166.4	0
TOTAL	<u>6,652.9</u>	<u>8,814.4</u>	<u>11,088.7</u>	<u>8,126.8</u>	<u>2,961.6</u>
Assumptions:					
Caseload Increase		<u>9.0%</u>	<u>8.29%</u>		
Utilization Rate Inc.		<u>6.3%</u>	<u>5.29%</u>		
Inflation		<u>10.7%</u>	<u>10.37%</u>		
Composite Rate		28.3%	26.6 %		

When all FY 79 bills have cleared through the system, the Department will update these projections based on FY 79 actual expenditures.

Attachment



REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	
COVER PROGRAM	
AGENCY	DEPT OF HEALTH & SOCIAL SERVICES
DIVISION	
BUDGET REQUEST UNIT	
BUDGET COMPONENT	
APPROPRIATION	GENERAL RELIEF MEDICAL
ALLOCATION	PHYSICIANS SERVICES

FY 80

Page 1

APPROVED

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	FCC	GOV. VETO	INITIAL AUTH.	BALANCE	BALANCE	BALANCE	BALANCE
01	PERSONAL SERVICES						
02	TRAVEL						
03	CONTRACTUAL						
04	COMMODITIES						
05	EQUIPMENT						
06	LANDS, BUILDINGS						
07	GRANTS, CLAIMS		1150.3	899.7	2050.3		
08	MISCELLANEOUS						
000	UNALLOCATED						
	TOTAL		1150.3	899.7	2050.3		
	FEDERAL						
	FEDERAL						
	FEDERAL						
	FEDERAL						
	FEDERAL						
	FEDERAL						
	FEDERAL						
1002	FEDERAL TOTAL						
1003	G/F MATCH						
1004	GENERAL FUND		1150.3	899.7	2050.3		
1005	I/A RECEIPTS						
1028	PROGRAM RECEIPTS						
	DEFERRED REVENUE						
	G/F RESTRICTED						
15	FULL TIME						
16	PART TIME						
17	TEMPORARY						
18	MAN MONTHS						





Department of Health and Social Services

FY'80 Operating Plan

Appropriation General Relief Medical.

Although this BRU is not funded at the Governor's amended request level for FY80, legislative intent indicates that the Department should request a supplemental budget if actual costs exceed the appropriation. The Division's projections are in the FY80 plan column of the attached component expenditure plan.

Summary of potential FY 80 Supplemental Appropriation needs for General Relief Medical BRU.

Components	FY 80 Plan	FY 80 FCC	FY 80 Project Supplement	FED	Funding GF
Hospitals	5504.7	4147.9	1356.8		1356.8
Physician Serv.	2050.3	1150.3	899.7		899.7
Other Services	1697.5	1224.1	473.4		473.4
Nursing Homes	915.6	683.9	231.7		231.7
		TOTAL	2961.6		

Concur Rod Betts  
Division Director/Separate Office Head

Concur Allen D. Beitner  
Commissioner

Concur Daniel H. Zolovist  
Div. of Budget & Management

STATE  
of ALASKA

# MEMORANDUM

B+M  
OCT 25 REC'D

6-9

OCT 25 1979

1413 711

TO:  Ron Lehr, Director  
Division of Budget and  
Management  
Office of the Governor

DATE:

FILE NO:

TELEPHONE NO:

FROM: *Catherine M. Lloyd*  
Helen D. Beirne, Commissioner  
Office of the Commissioner  
Department of Health and  
Social Services

SUBJECT: FY 80 Supplemental Request  
Department of Health and  
Social Services  
Appropriation Assistance Payments

The Department of Health and Social Services requests a FY 80 supplemental appropriation for the Assistance Payments program in the amount of \$3,650,600 of which \$1,976,600 is state general funds and \$1,724,000 is federal funds. This supplemental request has been previously approved in the FY 80 operating plan. (attached) This request is based on the June 25, 1979 projections prepared by the Office of Information Systems. (attached)

This request is identified by allocation as follows:

Aid to families with Dependent children	3,447.9
Aid to the Disabled	<u>202.7</u>
	3,650.6

The AFDC allocation has Legislative Intent as follows:

The Department should operate the program at the full statutory level and if caseload or other cost increases will generate total payments which exceed the amount of the appropriation, the Department will not reduce the program without prior Legislative review.

The Legislature did not fund Governor's Budget Amendment No. 19 which requested \$1,113.0 additional to the Governor's FY 80 budget. The June 25, 1979 caseload projections indicates that an additional 3,447.9 is needed to meet all legally obligated payments.

	cases per month	x	average payment	x	12 months
FY 80 Governor's Budget	5,622	x	336.95	x 12	= 22,734.5
Budget Amendment #19	6,096	x	325.99	x 12	= 23,847.5
June 25, 1979 Projections	6,528	x	334.23	x 12	= 26,182.4

Memo to Ron Lehr  
Page 2

The Aid to the Disabled allocation does not have Legislative Intent. The Legislature did fund Governor's Budget Amendment No. 20 which requested \$723.4 additional to the Governor's FY 80 budget. The June 25, 1979 caseload projections indicate that an additional 202.7 is needed to meet all legally obligated payments.

	cases per month	x	average payment	x	12 months
FY 80 Governor's Budget	1,872	x	192.90	x 12 =	3,659.4
Budget Amendment #20	1,874	x	202.17	x 12 =	3,782.8
June 25, 1979 projections	1,920	x	205.98	x 12 =	3,985.5

This program traditionally requires supplemental appropriations and also traditionally revises the estimates of the supplemental as more actual current year data becomes available. This request has been prepared with only 3 months of actual FY 80 data available for projections. The department will revise these projections during December when the department has 5 months of actual data and again in April when the department will have 9 months of actual data.

Attachments

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	
COVER PROGRAM	
AGENCY	DEPT OF HEALTH & SOCIAL SERVICES
DIVISION	
BUDGET REQUEST UNIT	
BUDGET COMPONENT	
APPROPRIATION	ASSISTANCE PAYMENTS
ALLOCATION	AFDC

FY 80

Page 1

APPROVED

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APPROVED

	FCC	GOV. VETO	INITIAL AUTH.	FY80 SUPPLEMENTAL	BALANCE		BALANCE		BALANCE		BALANCE
01	PERSONAL SERVICES										
02	TRAVEL										
03	CONTRACTUAL										
04	COMMODITIES										
05	EQUIPMENT										
06	LANDS, BUILDINGS										
07	GRANTS, CLAIMS		22734.5	3447.9	26182.4						
08	MISCELLANEOUS										
000	UNALLOCATED										
	TOTAL		22734.5	3447.9	26182.4						
726	FEDERAL I/A		11367.3	1723.9	13091.2						
	FEDERAL										
	FEDERAL										
	FEDERAL										
	FEDERAL										
	FEDERAL										
	FEDERAL										
1002	FEDERAL TOTAL		11367.3	1723.9	13091.2						
1003	G/F MATCH		11367.2	1724.0	13091.2						
1004	GENERAL FUND										
1005	I/A RECEIPTS										
1028	PROGRAM RECEIPTS										
	DEFERRED REVENUE										
15	FULL TIME										
16	PART TIME										
17	TEMPORARY										
18	MAN-MONTHS										

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

CATEGORY	
COVER PROGRAM	
AGENCY	DEPT OF HEALTH & SOCIAL SERVICES
DIVISION	
BUDGET REQUEST UNIT	
BUDGET COMPONENT	
APPROPRIATION	ASSISTANCE PAYMENTS
ALLOCATION	AID TO THE DISABLED

FY 80

		APPROVED <input type="checkbox"/>		APPROVED <input type="checkbox"/>		APPROVED <input type="checkbox"/>		APPROVED <input type="checkbox"/>	
		FCC	GOV. VETO	INITIAL AUTH.	<i>FY80</i> SUPPLEMENTAL BALANCE	BALANCE	BALANCE	BALANCE	BALANCE
01	PERSONAL SERVICES								
02	TRAVEL								
03	CONTRACTUAL								
04	COMMODITIES								
05	EQUIPMENT								
06	LAND, BUILDINGS								
07	GRANTS, CLAIMS			3782.8	202.7	3985.5			
08	MISCELLANEOUS								
000	UNALLOCATED								
	TOTAL			3782.8	202.7	3985.5			
	FEDERAL								
	FEDERAL								
	FEDERAL								
	FEDERAL								
	FEDERAL								
	FEDERAL								
	FEDERAL								
1002	FEDERAL TOTAL			3782.8	202.7	3985.5			
1003	G/F MATCH								
1004	GENERAL FUND								
1005	I/A RECEIPTS								
1028	PROGRAM RECEIPTS								
	DEFERRED REVENUE								
15	FULL TIME								
16	PART TIME								
17	TEMPORARY								
18	MAN-MONTHS								



STATE  
of ALASKA

## MEMORANDUM

TO:  Rod Betit  
Director  
Division of Public Assistance

DATE: June 25, 1979

FILE NO.

TELEPHONE NO.

FROM: Terry Herold *THS*  
Research Analyst III  
Office of the Commissioner *TEH*  
Office of Information SystemsSUBJECT: Final Caseload and Ex-  
penditure Projections  
AFDC, OAA, APD FY 80

Final caseload and expenditure projections for the following cash assistance programs have been completed for fiscal year 1980:

Aid to Families With Dependent Children;  
Old Age Assistance; and  
Aid to the Permanently Disabled.

A discussion of methodology, data, and individual program projections will follow.

### Methodology

Previous study by our Office has determined that previous month caseload is a satisfactory predictor of principal (current) month caseload.

Linear models accounting for correlations between adjacent observations in a time series are called autoregressive models.

Autoregressive models can be fitted to time series data using the method of generalized least squares. Essentially, this amounts to telling the lagged process responses assume the role of the independent variables in the linear regression model.

The only way we can determine whether the autoregressive model is a good forecasting model is to develop forecasts. The one that returns the most accurate forecasts is the one that is best for our purposes.

In employing the autoregressive model and determining its goodness of fit, it was determined that this was an appropriate method for predicting caseloads.

Expenditures were derived from average payment projections.

The global constant mean model was employed to arrive at average payments for the fiscal years. The percent change between monthly average payments was computed and summed for FY 78 and FY 79. A grand average (monthly change) was computed for the historical data. This figure was used to compute the projected average payment. The base average payment used was the last average payment known (based on actual caseload and

Page 2  
Rod Betit  
June 25, 1979

expenditure). The base average payment was inflated by the calculated average monthly charge (grand average). The next month's average payment was calculated from the subsequent month's average payment.

Projected expenditures were calculated from the projected caseload and projected average payment. This method was utilized to derive expenditures since other methods employed did not yield results satisfying goodness of fit criteria.

#### Data

All expenditure and caseload data used for the projections was gleaned from the warrant history files.

Caseloads were computed by summing cases receiving regular and supplemental warrants. For Aid to Families With Dependent Children, cases receiving manually generated field warrants were added to the above for a total caseload. Cases that cancelled out of the programs were subtracted from the totals.

Cases receiving special warrants or field warrants were not included in the caseload totals. These are duplicated cases since most often these cases would receive a regular or supplemental warrant.

Expenditures are the sum total of all categories of warrants with all cancelled warrants removed. This is the true expenditure for benefits for the various programs.

Attachments

TH/jmb

AID TO FAMILIES WITH DEPENDENT CHILDREN

Expenditure and caseload data was collected for the period July 1977 through April 1979, a 22 month period.

A linear equation was derived from the historical caseload utilizing the least squares method.

Caseload Equation:

Principal Month Caseload =  $(31.98724 + [1.007774 \times \text{Previous Month Caseload}])$

The relationship of previous month caseload to principal month caseload, expressed by the linear equation, explained 95 percent of the variation in the principal month caseloads ( $r^2 = .99$ ).

The projections for FY 80 were arrived at by working the terms of the linear regression equation utilizing each previous month caseload as the independent variable.

Division of Public Assistance  
AID TO FAMILIES WITH DEPENDENT CHILDREN

	Actual Caseload	Actual Average Payment	Actual Expenditures	Projected Caseload	Projected Average Payment	Projected Expenditures
<b>FY 78</b>						
July	4361	284.36	1,240.1			
Aug.	4518	281.21	1,270.5	4427	284.96	1,261.5
Sept.	4555	286.54	1,305.2	4585	285.56	1,309.3
Oct.	4597	281.64	1,294.7	4622	286.16	1,322.6
Nov.	4535	279.21	1,266.2	4665	286.76	1,337.7
Dec.	4629	283.54	1,312.5	4602	287.36	1,322.4
Jan.	4664	283.91	1,324.2	4697	287.96	1,352.5
Feb.	4697	283.32	1,330.8	4732	288.57	1,365.5
March	4894	287.21	1,405.6	4766	289.17	1,378.2
April	4927	285.03	1,404.3	4964	289.78	1,438.5
May	4744	288.62	1,369.2	4997	290.39	1,451.1
June	4947	290.78	1,438.5	4813	291.00	1,400.6

<b>FY 78</b>						
TOTAL	56068	(284.69)	15,961.8	51870	(288.03)	14,940.0
AVERAGE	4572		1,330.1	4715		1,358.2
Monthly Average Change		.21			.21	

	Actual Caseload	Actual Average Payment	Actual Expenditures	Projected Caseload	Projected Average Payment	Projected Expenditures
<b>FY 79</b>						
July	5053	321.72	1,625.7	5017	321.56	1,615.3
Aug.	5200	323.14	1,680.3	5124	322.67	1,653.4
Sept.	5231	320.56	1,676.8	5272	323.38	1,704.9
Oct.	5358	321.86	1,724.5	5303	324.09	1,718.6
Nov.	5435	325.17	1,767.3	5431	324.81	1,764.0
Dec.	5468	325.98	1,782.4	5509	325.52	1,793.3
Jan.	5573	328.18	1,828.9	5542	326.24	1,808.0
Feb.	5511	326.42	1,798.9	5648	326.95	1,846.6
March	5770	326.28	1,882.6	5586	327.67	1,830.4
April	5776	329.42	1,902.7	5847	328.39	1,920.1
May	5817	330.37	1,921.9	5924	329.11	1,949.6
June	5840	329.18	1,922.4	6002	329.84	1,979.7

<b>FY 79</b>						
TOTAL	64032	(324.97)	21514.4	66205	(326.02)	21,583.9
AVERAGE	5502		1792.9	5517		1,798.7
Monthly Average Change		.22			.22	

	Actual Caseload	Actual Average Payment	Actual Expenditures	Projected Caseload	Projected Average Payment	Projected Expenditures
<b>FY 80</b>						
July	5879	329.14	1935.0	6081	330.22	2,008.1
Aug.				6160	330.93	2,038.5
Sept.				6239	331.64	2,068.8
Oct.				6319	332.36	2,100.2
Nov.				6400	333.07	2,131.6
Dec.				6483	333.79	2,164.0
Jan.				6564	334.50	2,195.7
Feb.				6648	335.22	2,228.5
March				6732	335.94	2,261.5
April				6816	336.67	2,294.7
May				6901	337.39	2,328.3
June				6987	338.12	2,362.4

<b>FY 80</b>						
TOTAL				78,330	(334.26)	26,182.4
AVERAGE				6,528		2,181.9
Monthly Average Change					2.15	

## AID TO THE PERMANENTLY DISABLED

Expenditure and caseload data was collected for the period July 1977 through April 1979, a 22 month period.

Employing the least squares method, a linear equation was derived from the historical caseload data.

### Caseload Equation:

Principal Month Caseload =  $(16.265 + [.9975607 \times \text{Previous Month Caseload}])$

The relationship of previous month caseloads to principal month caseloads, expressed by the linear equation, explained 99 percent of the variation in the principal month caseloads ( $r^2 = .986$ ).

The projections for FY 80 were arrived at by working the terms of the linear regression equation.

A cost of living increase in adult public assistance programs has been occurring for the past fiscal years. This effects expenditures and average payments in July of that fiscal year. The following cost of living allowances were experienced:

FY 79	6.5%
FY 80	9.9%

Division of Public Assistance  
AID TO FAMILIES WITH DEPENDENT CHILDREN

	Actual Caseload	Actual Average Payment	Actual Expenditures	Projected Caseload	Projected Average Payment	Projected Expenditures
<b>FY 79</b>						
July	5053	321.72	1,625.7	5017	321.95	1,615.3
Aug.	5200	323.14	1,680.3	5124	322.67	1,653.4
Sept.	5231	320.56	1,676.8	5272	323.38	1,704.9
Oct.	5358	321.86	1,724.5	5303	324.09	1,718.6
Nov.	5435	325.17	1,767.3	5431	324.81	1,764.0
Dec.	5468	325.98	1,782.4	5509	325.52	1,793.3
Jan.	5573	328.18	1,828.9	5542	326.24	1,808.0
Feb.	5511	326.42	1,798.9	5648	326.95	1,846.6
March	(1) 5770	326.28	1,882.6	5586	327.67	1,830.4
April	5776	329.42	1,902.7	(3) 5847	328.39	1,920.1
May	5817	330.39	1,921.9	(3) 5924	329.11	1,949.6
June	5840	329.18	1,922.4	6002	329.84	1,979.7
<hr/>						
<b>FY 79</b>						
TOTAL	66032	(324.97)	21514.4	66205	(326.02)	21,583.9
AVERAGE	5502		1792.9	5517		1,798.7
Monthly Average Change		.22			.22	
<hr/>						
<b>FY 80</b>						
July	5879	329.14	1935.0	6081	330.22	2,008.1
Aug.				6160	330.93	2,038.5
Sept.				6239	331.64	2,068.8
Oct.				6319	332.36	2,100.2
Nov.				6400	333.07	2,131.6
Dec.				6483	333.79	2,164.0
Jan.				6564	334.50	2,195.7
Feb.				6648	335.22	2,228.5
March				6732	335.94	2,261.5
April				6816	336.67	2,294.7
May				6901	337.39	2,328.3
June				6987	338.12	2,362.4
<hr/>						
<b>FY 80</b>						
TOTAL				78,330	(334.26)	26,182.4
AVERAGE				6,528		2,181.9
Monthly Average Change					2.15	
<hr/>						
<b>FY 81</b>						
July 80				7073	338.85	2,396.6
Aug.				7160	339.58	2,431.3
Sept.				7248	340.31	2,466.6
Oct.				7336	341.04	2,501.9
Nov.				7425	341.77	2,537.6
Dec.				7515	342.51	2,573.9
Jan 81				7605	343.24	2,610.3
Feb.				7697	343.98	2,647.6
March				7788	344.72	2,684.8
April				7881	345.46	2,722.6
May				7974	346.20	2,760.7
June				8068	346.95	2,799.2
<hr/>						
<b>FY 81</b>						
TOTAL				90,770		31,133.1
AVERAGE				7564	342.88	2,594.4

	Actual Caseload	Actual Average Payment	Actual Expenditures	Projected Caseload	Projected Average Payment	Projected Expenditures
<u>FY 79</u>						
July	1655	147.77	244.6	1720	148.92	256.1
Aug.	1667	149.39	249.0	1667	149.32	248.9
Sept.	1687	147.01	248.0	1679	149.72	251.4
Oct.	1709	149.00	254.6	1699	150.13	255.1
Nov.	1727	150.21	259.4	1721	150.54	259.1
Dec.	1730	150.33	260.1	1739	150.94	262.5
Jan.	1732	154.89	268.3	1742	151.35	263.7
Feb.	1760	151.83	267.2	1744	151.76	264.7
March	1807	153.25	276.9	1772	152.17	269.6
April	1827	151.22	276.3	1818	152.58	277.4
May	1813	154.06	279.3	1830	152.99	280.0
June	1811	152.58	276.3	1842	153.41	282.6

<u>FY 79</u>						
TOTAL	20925	(150.71)	3160.0	20973	(151.19)	3,171.0
AVERAGE	1743		263.3	1748		264.2
Monthly Average Change		.27%			.27%	

<u>FY 80</u>						
July	1782	163.88	292.0	1854	168.60	312.6
Aug.				1865	169.40	315.9
Sept.				1877	170.22	319.5
Oct.				1889	171.03	323.1
Nov.				1901	171.86	326.7
Dec.				1912	172.68	330.2
Jan.				1924	173.51	333.8
Feb.				1936	174.34	337.5
March				1947	175.18	341.1
April				1959	176.02	344.8
May				1969	176.87	348.3
June				1981	177.71	352.0

<u>FY 80</u>						
TOTAL				23041	(172.98)	3,985.5
AVERAGE				1920		332.1
Monthly Average Change					.48%	

<u>FY 81</u>						
July 80				1992	196.42	391.3
Aug.				2004	197.36	395.5
Sept.				2015	198.31	399.6
Oct.				2027	199.26	403.9
Nov.				2038	200.22	408.0
Dec.				2049	201.18	412.2
Jan. 81				2060	202.14	416.4
Feb.				2072	203.11	420.8
March				2083	204.09	425.1
April				2094	205.07	429.4
May				2105	206.05	433.8
June				2116	207.04	438.1

<u>FY 81</u>						
TOTAL				2,4655	201.75	4,974.1
AVERAGE				2055		414.5

AID TO THE DISABLED

	<u>Actual Caseload</u>	<u>Actual Average Payment</u>	<u>Actual Expenditures</u>	<u>Projected Caseload</u>	<u>Projected Average Payment</u>	<u>Projected Expenditures</u>
<u>FY 78</u>						
July	1562	131.72	205.7			
Aug.	1583	133.73	211.7	1574	132.56	208.6
Sept.	1603	134.19	215.7	1595	133.41	212.8
Oct.	1611	132.21	213.0	1615	134.27	216.8
Nov.	1600	133.47	213.5	1623	135.12	219.3
Dec.	1620	133.66	216.5	1612	135.99	219.2
Jan.	1635	135.46	221.5	1636	136.86	223.9
Feb.	1655	138.18	228.7	1647	137.74	226.9
March	1669	137.34	229.2	1667	138.62	231.1
April	1677	136.59	229.1	1681	139.50	234.5
May	1687	137.62	232.2	1689	140.40	237.1
June	1708	140.68	240.3	1699	141.30	240.1

APPD

<u>FY 78</u>						
TOTAL	19610	(135.47)	2,656.5	18038	(136.95)	2,470.3
AVERAGE	1634		221.4	1640		224.6
Monthly Average Change		.64%			.64%	

<u>FY 79</u>						
July	1655	147.77	244.6	1720	148.92	256.1
Aug.	1667	149.39	249.0	1667	149.32	248.9
Sept.	1687	147.01	248.0	1679	149.72	251.4
Oct.	1709	149.00	254.6	1699	150.13	255.1
Nov.	1727	150.21	259.4	1721	150.54	259.1
Dec.	1730	150.33	260.1	1739	150.94	262.5
Jan.	1732	154.89	268.3	1742	151.35	263.7
Feb.	1760	151.83	267.2	1744	151.76	264.7
March	1807	153.25	276.9	1772	152.17	269.6
April	1827	151.22	276.3	1818	152.58	277.4
May	1813	154.06	279.3	1830	152.99	280.0
June	1811	152.58	276.3	1842	153.41	282.6

<u>FY 79</u>						
TOTAL	20925	(150.71)	3160.0	20973	(151.19)	3,171.0
AVERAGE	1743		263.3	1748		264.2
Monthly Average Change		.27%			.27%	

<u>FY 80</u>						
July	1782	163.68	292.0	1854	168.60	312.6
Aug.				1865	169.40	315.9
Sept.				1877	170.22	319.5
Oct.				1889	171.03	323.1
Nov.				1901	171.86	326.7
Dec.				1912	172.68	330.2
Jan.				1924	173.51	333.8
Feb.				1936	174.34	337.5
March				1947	175.18	341.1
April				1959	176.02	344.8
May				1969	176.87	348.3
June				1981	177.71	352.0

<u>FY 80</u>						
TOTAL				23041	(172.98)	3,985.5
AVERAGE				1920		332.1
Monthly Average Change					.48%	

STATE  
of ALASKA

## MEMORANDUM

Btm  
OCT 25 REC'D

6-10

143711

TO:  Ron Lehr, Director  
Division of Budget and  
Management  
Office of the Governor

DATE: OCT 25 1979

FILE NO:

TELEPHONE NO:

FROM: *Helen D. Beirne*  
Helen D. Beirne, Commissioner  
Office of the Commissioner  
Department of Health and  
Social ServicesSUBJECT: FY 80 Supplemental Request  
Department of Health and  
Social Services  
Appropriation Old Age Assistance

The Department of Health and Social Services requests a FY 80 supplemental appropriation for the Old Age Assistance program in the amount of \$421,800 state general funds. This supplemental request has been previously approved in the FY 80 operating plan. (attached) This request is based on the June 25, 1979 projections prepared by the Office of Information Systems. (attached)

This program has Legislative Intent as follows:

The Department should operate the program at the full statutory level and if caseload or other cost increases will generate total payments which exceed the amount of the appropriation, the Department will not reduce the program without prior Legislative review.

The Legislature did not fund Governor's Budget Amendment No. 22 which requested \$285,000 additional to the Governor's FY 80 budget. The June 25, 1979 caseload projections indicate that an additional \$421,800 is needed to meet all legally obligated payments.

	recipients per month	x	average payment per month	x	12 months	=
FY 80 Governor's Budget	1,999	x	130.11	x	12	= 3,121.1
Budget Amendment No. 22	2,050	x	138.26	x	12	= 3,406.1
FCC Appropriation						3,141.4
June 25, 1979 projections	2,099	x	141.46	x	12	= 3,563.2

This program traditionally requires supplemental appropriations and also traditionally revises the estimates of the supplemental as more actual current year data becomes available. This request has been prepared with only 3 months of actual FY 80 data available for projections. The department will revise these projections during December when the department has 6 months of actual data and again in April when the department will have 9 months of actual data.

Attachments

REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

Page 1

CATEGORY	
COVER PROGRAM	
AGENCY	DEPT OF HEALTH & SOCIAL SERVICES
DIVISION	
BUDGET REQUEST UNIT	
BUDGET COMPONENT	
APPROPRIATION	OLD AGE ASSISTANCE PAYMENTS
ALLOCATION	

FY 80

		APPROVED <input type="checkbox"/>			APPROVED <input type="checkbox"/>			APPROVED <input type="checkbox"/>			APPROVED <input type="checkbox"/>		
	FCC	GOV. VETO	INITIAL AUTH.	FY80 SUPPLEMENTAL	BALANCE		BALANCE		BALANCE		BALANCE		
01	PERSONAL SERVICES												
02	TRAVEL												
03	CONTRACTUAL												
04	COMMODITIES												
05	EQUIPMENT												
06	LANDS, BUILDINGS												
07	GRANTS, CLAIMS		3141.4	421.8	3563.2								
08	MISCELLANEOUS												
000	UNALLOCATED												
	TOTAL		3141.4	421.8	3563.2								
	FEDERAL												
	FEDERAL												
	FEDERAL												
	FEDERAL												
	FEDERAL												
	FEDERAL												
	FEDERAL												
1002	FEDERAL TOTAL												
1003	G/F MATCH												
1004	GENERAL FUND		3141.4	421.8	3563.2								
1005	I/A RECEIPTS												
1028	PROGRAM RECEIPTS												
	DEFERRED REVENUE												
15	FULL TIME												
16	PART TIME												
17	TEMPORARY												
18	MAN-MONTHS												



STATE  
of ALASKA

## MEMORANDUM

TO:  Rod Betit  
Director  
Division of Public Assistance

DATE: June 25, 1979

FILE NO:

TELEPHONE NO:

FROM: Terry Herold *AS*  
Research Analyst III *TEH*  
Office of the Commissioner  
Office of Information Systems

SUBJECT: Final Caseload and Ex-  
penditure Projections  
AFDC, OAA, APD FY 80

Final caseload and expenditure projections for the following cash assistance programs have been completed for fiscal year 1980:

Aid to Families With Dependent Children;  
Old Age Assistance; and  
Aid to the Permanently Disabled.

A discussion of methodology, data, and individual program projections will follow.

### Methodology

Previous study by our Office has determined that previous month caseload is a satisfactory predictor of principal (current) month caseload.

Linear models accounting for correlations between adjacent observations in a time series are called autoregressive models.

Autoregressive models can be fitted to time series data using the method of generalized least squares. Essentially, this amounts to telling the lagged process responses assume the role of the independent variables in the linear regression model.

The only way we can determine whether the autoregressive model is a good forecasting model is to develop forecasts. The one that returns the most accurate forecasts is the one that is best for our purposes.

In employing the autoregressive model and determining its goodness of fit, it was determined that this was an appropriate method for predicting caseloads.

Expenditures were derived from average payment projections.

The global constant mean model was employed to arrive at average payments for the fiscal years. The percent change between monthly average payments was computed and summed for FY 78 and FY 79. A grand average (monthly change) was computed for the historical data. This figure was used to compute the projected average payment. The base average payment used was the last average payment known (based on actual caseload and

Page 2  
Rod Betit  
June 25, 1979

expenditure). The base average payment was inflated by the calculated average monthly charge (grand average). The next month's average payment was calculated from the subsequent month's average payment.

Projected expenditures were calculated from the projected caseload and projected average payment. This method was utilized to derive expenditures since other methods employed did not yield results satisfying goodness of fit criteria.

#### Data

All expenditure and caseload data used for the projections was gleaned from the warrant history files.

Caseloads were computed by summing cases receiving regular and supplemental warrants. For Aid to Families With Dependent Children, cases receiving manually generated field warrants were added to the above for a total caseload. Cases that cancelled out of the programs were subtracted from the totals.

Cases receiving special warrants or field warrants were not included in the caseload totals. These are duplicated cases since most often these cases would receive a regular or supplemental warrant.

Expenditures are the sum total of all categories of warrants with all cancelled warrants removed. This is the true expenditure for benefits for the various programs.

Attachments

TH/jmb

## OLD AGE ASSISTANCE

Expenditure and caseload information was collected for the period July 1977 through April 1979, a 22 month period.

The linear equation was derived from the historical data employing the least squares method.

### Caseload Equation:

Principal Month Caseload =  $([1.014074 \times \text{Previous Month Caseload}] - 17.59889)$

The relationship of previous month caseloads to principal month caseloads, expressed by the linear equation, explained 99 percent of the fluctuation in the principal month caseloads ( $r^2 = .99$ ).

FY 80 projections were arrived at by utilizing previous month caseload to get principal month caseload.

The following cost of living allowances reflected in the expenditures and average payments:

FY 79	6.5%
FY 80	9.9%

### Summary:

As mentioned before, the test of any model is it's goodness of fit to the historical data on which it is based.

The ultimate test of the model is retrospective.

Monitoring the actual expenditures, caseloads and average payments and comparing them to the projections is critical.

	Actual Caseload	Actual Average Payment	Actual Expenditures	Projected Caseload	Projected Average Payment	Projected Expenditures
<u>FY 78</u>						
July	1820	111.63	203.2			
Aug.	1832	112.15	205.5	1828	111.94	204.6
Sept.	1833	111.75	204.8	1840	112.26	206.6
Oct.	1815	111.93	203.2	1841	112.57	207.2
Nov.	1829	111.60	204.1	1823	112.89	205.8
Dec.	1850	110.94	205.2	1837	113.20	208.0
Jan.	1844	111.64	205.9	1858	113.52	211.0
Feb.	1846	112.95	208.5	1852	113.84	210.8
March	1863	114.50	213.3	1854	114.16	211.7
April	1889	114.95	217.1	1872	114.47	214.3
May	1882	114.00	214.6	1898	114.80	217.9
June	1892	115.14	217.8	1891	115.12	217.7

<u>FY 78</u>						
TOTAL	22195	(112.78)	2,503.2	20394	(113.54)	2,315.5
AVERAGE	1850		208.6	1854		210.5

Monthly Average Change .28% .28%

<u>FY 79</u>						
July	1925	123.01	236.8	1901	123.28	234.4
Aug.	1943	126.56	245.9	1934	123.58	239.0
Sept.	1948	123.27	240.1	1953	123.88	241.9
Oct.	1952	123.29	240.7	1957	124.17	243.0
Nov.	1964	123.31	242.2	1962	124.47	244.2
Dec.	1970	126.01	248.2	1974	124.77	246.3
Jan.	1983	123.92	245.7	1980	125.07	247.6
Feb.	1991	124.01	246.9	1990	125.37	249.5
March	2015	124.51	250.4	2000	125.67	251.3
April	2034	125.31	254.9	2011	125.97	253.3
May	2017	127.27	256.7	2022	126.27	255.3
June	2038	125.22	255.2	2033	126.58	257.3

<u>FY 79</u>						
TOTAL	23780	(124.30)	2963.7	23717	(124.94)	2,963.3
AVERAGE	1931		246.9	1976		246.9

Monthly Average Change .24% .24%

<u>FY 80</u>						
July	2051	135.82	278.6	2044	138.79	283.7
Aug.				2055	139.15	286.0
Sept.				2067	139.52	288.3
Oct.				2078	139.88	290.7
Nov.				2090	140.24	293.1
Dec.				2102	140.61	295.6
Jan.				2114	140.97	298.0
Feb.				2126	141.34	300.5
March				2138	141.71	303.0
April				2151	142.07	305.5
May				2164	142.44	308.2
June				2177	142.81	310.9

<u>FY 80</u>						
TOTAL				25196	(141.42)	3,563.3
AVERAGE				2099		296.9

Monthly Average Change .26%

DIVISION OF PUBLIC ASSISTANCE  
OLD AGE ASSISTANCE

*Projections as Aug 10  
for Policy Budget.*

	Actual Caseload	Actual Average Payment	Actual Expenditures	Projected Caseload	Projected Average Payment	Projected Expenditures
<b>FY 79</b>						
July	1925	123.01	236.8	1901	123.28	234.4
Aug.	1943	126.56	245.9	1934	123.58	239.0
Sept.	1948	123.27	240.1	1953	123.88	241.9
Oct.	1952	123.29	240.7	1957	124.17	243.0
Nov.	1964	123.31	242.2	1962	124.47	244.2
Dec.	1970	126.01	248.2	1974	124.77	246.3
Jan.	1983	123.92	245.7	1980	125.07	247.6
Feb.	1991	124.01	246.9	1990	125.37	249.5
March	2015	124.51	250.4	2000	125.67	251.3
April	2034	125.31	254.9	2011	125.97	253.3
May	2017	127.27	256.7	2022	126.27	255.3
June	2038	125.22	255.2	2033	126.58	257.3

<b>FY 79</b>						
TOTAL	23780	(124.30)	2963.7	23717	(124.94)	2,963.3
AVERAGE	1981		246.9	1976		246.9
Monthly Average Change		.24%			.24%	

<b>FY 80</b>						
July	2051	135.82	278.6	2044	138.79	283.7
Aug.				2055	139.15	286.0
Sept.				2067	139.52	288.3
Oct.				2078	139.88	290.7
Nov.				2090	140.24	293.1
Dec.				2102	140.61	295.6
Jan.				2114	140.97	298.0
Feb.				2126	141.34	300.5
March				2138	141.71	303.0
April				2151	142.07	305.5
May				2164	142.44	308.2
June				2177	142.81	310.9

<b>FY 80</b>						
TOTAL				25196	(141.42)	3,563.3
AVERAGE				2099		296.9
Monthly Average Change					.26%	

<b>FY 81</b>						
July 80				2190	157.50	344.9
Aug.				2203	157.87	347.8
Sept.				2217	158.28	350.9
Oct.				2230	158.69	353.9
Nov.				2244	159.11	357.0
Dec.				2258	159.52	360.2
Jan. 81				2272	159.94	363.4
Feb.				2287	160.35	366.7
March				2301	160.77	369.9
April				2316	161.19	373.3
May				2331	161.61	376.7
June				2346	162.03	380.2

<b>FY 81</b>						
TOTAL			27,195			4,344.9
AVERAGE			2,266	159.74		362.1

**ALASKA STATE LEGISLATURE**

**ELEVENTH** Legislature      **SECOND** Session

HOUSE ..... **BILL** ..... NO. **711** ..

By **THE RULES COMMITTEE** BY .....  
REQUEST OF THE GOVERNOR

"An Act making supplemental appropriations to the Department of Health and Social Services, Division of Public Assistance, for Medicaid, General Relief -- Medical, Aid to Families with Dependent Children, Aid to the Disabled, and Old Age Assistance, for fiscal year 1980; and providing for an effective date."

Supp appro, Div of Public Assistance, Medicaid, etc.

Introduced in the House **2/11** ....., 19**80**

**HISTORY IN THE HOUSE**

19 <b>80</b>	Read first time and referred to Committee on <b>Finance</b>												
Feb. <b>11</b>	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td style="text-align: center;">PASS</td><td style="text-align: center;">Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr><td colspan="2" style="text-align: center;">Reconsideration</td></tr> <tr><td style="text-align: center;">PASS</td><td style="text-align: center;">Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Sent to Senate												
CHIEF CLERK OF THE HOUSE													

**HISTORY IN THE SENATE**

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr><td style="text-align: center;">PASS</td><td style="text-align: center;">Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	<table border="0"> <tr><td colspan="2" style="text-align: center;">Reconsideration</td></tr> <tr><td style="text-align: center;">PASS</td><td style="text-align: center;">Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by President Returned to House												
SECRETARY OF THE SENATE													

**HISTORY IN THE HOUSE**

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
	..... By Governor
	Filed with Lt. Governor
Chapter No. ....	



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 11, 1980

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making supplemental appropriations to the Department of Health and Social Services, Division of Public Assistance, as follows:

Section 1: Appropriating \$2,458,000 from the general fund and \$2,458,100 from federal funds to the department for payment of legally obligated Medicaid program payments. This request is being submitted in accordance with legislative intent which was expressed in the Free Conference Committee Report on the Fiscal Year 1980 Operating and Capital Budget: "A supplemental is to be requested if actual costs exceed the appropriation."

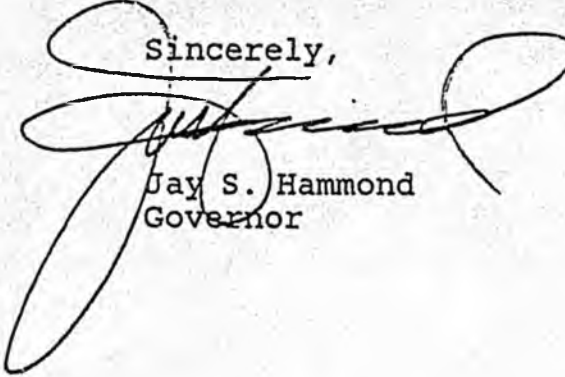
Section 2: Appropriating \$2,961,600 from the general fund to the department for the purpose of paying for benefits provided clients of the General Relief -- Medical program. This funding request is analogous to that requested via budget amendment number 38 during the 1979 legislative session, but which was not funded. This request is being submitted in accordance with legislative intent set out in Section 1 above.

Section 3: Appropriating \$1,724,000 from the general fund and \$1,723,900 from federal funds to the department for the purpose of Aid to Families with Dependent Children. Four factors are involved in this request: (1) this program traditionally requires supplementals; (2) an increase in cases per month has occurred; (3) an increase in average payment per month has occurred; and (4) the legislature expressed its intent that the program operate at full statutory level.

Section 4: Appropriating \$421,900 from the general fund to the department for the purpose of Old Age Assistance payments. Three factors are involved in this request; (1) legislative intent to operate at full statutory level; (2) increase in recipients per month; and (3) increase in average payment per month.

Section 5: Appropriating \$202,700 from the general fund to the department for the purpose of providing Aid to the Disabled. Three factors are involved in this request: (1) this program traditionally requires supplementals; (2) an increase in cases per month has occurred; and (3) an increase in average payment per month has occurred.

Sincerely,



Jay S. Hammond  
Governor

TO: Ron Lehr, Director  
Division of Budget and  
Management  
Office of the Governor.

DATE:

OCT 25 1979

FILE NO:

143 711

TELEPHONE NO:

FROM: *Caroline M. Flynn*  
Helen D. Beirne, Commissioner  
Office of the Commissioner  
Department of Health and  
Social Services

SUBJECT: FY 80 Supplemental Request  
Department of Health and  
Social Services  
Appropriation Medicaid

The Department of Health and Social Services requests a FY 80 supplemental appropriation for the Medicaid program in the amount of \$4,916,100; of which \$2,458,000 is state general funds and \$2,458,100 is federal funds. This supplemental request has been previously approved in the FY 80 operating plan. (attached)

This program has Legislative intent as follows:

- A. All legally obligated payments will be made.
- B. Funds are to be used only for Medicaid Services.
- C. A Supplemental is to be requested if actual costs exceed the appropriation.

The FY 80 projection is the same as used in Governor's FY 80 Budget Amendment No. 26 which the Legislature did not fund. The Department does not have any information which would alter these projections at this time.

These projections use the estimated cost of the Medicaid program in FY 78, by individual component, as the base for all calculations. This base was adjusted for the following factors:

Caseload increase A caseload increase reflects the increased number of people eligible to receive services. This increase relates to the increased number of persons eligible for AFDC, AB, AD, and OAA cash assistance programs.

Utilization Rate increase A utilization rate increase reflects the increased percentage of eligibles actually receiving services.

Inflation The rate of inflation shows the increases in the cost of the services provided.

The Nursing Home component was projected nursing home by nursing home basis for FY 79 and FY 80.

	<u>FY 78</u> <u>Base</u>	<u>FY 79</u> <u>Projection</u> *28.3%	<u>FY 80</u> <u>Projection</u> *26.6%	<u>FY 80</u> <u>FCC</u>	<u>FY 80</u> <u>Supplemental</u>
<u>Medicaid</u>					
Hospitals	4,115.3	* 5,279.9	* 6,684.4	5,617.7	1,066.7
Physicians Ser.	2,485.3	* 3,188.6	* 4,036.8	2,819.2	1,217.6
Other Services	720.9	* 924.9	* 1,170.9	735.1	435.8
EPSDT	1,349.2	* 1,731.0	* 2,191.5	1,711.5	480.0
Nursing Homes	<u>10,248.3</u>	<u>15,804.5</u>	<u>17,541.6</u>	<u>15,825.6</u>	<u>1,716.0</u>
SUBTOTAL	18,919.0	26,928.9	31,625.2	26,709.1	4,916.1
Indian Health			<u>6,557.6</u>	<u>6,557.6</u>	<u>0</u>
TOTAL			<u>38,182.8</u>	<u>33,266.7</u>	<u>4,916.1</u>

Assumptions:	<u>FY 79</u>	<u>FY 80</u>
Caseload Increase	9.0%	8.29%
Utilization Rate Inc.	6.3%	5.29%
Inflation	<u>10.7%</u>	<u>10.37%</u>
Composite Rate	28.3%	26.6%

When all FY 79 bills have cleared through the system, the Department will update these projections based on FY 79 actual expenditures.

Attachment









REVISED PROGRAM SUMMARY  
by  
BUDGET COMPONENT

30RY	
COVER PROGRAM	
AGENCY	DEPT OF HEALTH & SOCIAL SERVICES
DIVISION	
BUDGET REQUEST UNIT	
BUDGET COMPONENT	
APPROPRIATION	MEDICAID
ALLOCATION	NURSING HOMES

Page 1

APPROVED       APPROVED       APPROVED       APPROVED

	FCC	GOV. VETO	INITIAL AUTH.		BALANCE		BALANCE		BALANCE		BALANCE
01	PERSONAL SERVICES										
02	TRAVEL										
03	CONTRACTUAL										
04	COMMODITIES										
05	EQUIPMENT										
06	LANDS, BUILDINGS										
07	GRANTS, CLAIMS		15825.6	1716.0	1754.6						
08	MISCELLANEOUS										
000	UNALLOCATED										
	TOTAL		15825.6	1716.0	1754.6						
730	FEDERAL XIX		7912.8	858.0	8770.8						
	FEDERAL										
	FEDERAL										
	FEDERAL										
	FEDERAL										
	FEDERAL										
	FEDERAL										
1002	FEDERAL TOTAL		7912.8	858.0	8770.8						
1003	G/F MATCH		967.4	858.0	1825.4						
1004	GENERAL FUND										
1005	I/A RECEIPTS										
1028	PROGRAM RECEIPTS										
	REVENUE SHARING		6945.4		6945.4						
	DEFERRED REVENUE										
	G/F RESTRICTED										
15	FULL TIME										
16	PART TIME										
17	TEMPORARY										
18	MAN-MONTHS										

FY 80



FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL *	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 81 CONTIN
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS, ...	3621.4	4348.1	4288.0	5504.7	4147.9	4147.9	614.8	1502.2	3387.7	(1356.8)	
MISCELLANEOUS											
TOTAL	3621.4	4348.1	4288.0	5504.7	4147.9	4147.9	614.8	1502.2	3387.7	(1356.8)	
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	3621.4	4348.1	4288.0	5504.7	4147.9	4147.9	614.8	1502.2	3387.7	(1356.8)	
INTER-AGENCY RECEIPTS											

\* Does not agree with FY80 FCC report approved  
 supplementals for FY78 altered expenditures.

AGENCY: Health & Social Services BRU: General Relief Medical COMPONENT: Hospitals REVISED: \_\_\_\_\_

...AL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL *	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 80 CONTI...
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS, ...	1232.9	1619.3	1465.2	2050.0	1150.3	1150.3	305.5	483.0	1261.5	(899.7)	2737.1
MISCELLANEOUS											
TOTAL	1232.9	1619.3	1465.2	2050.0	1150.3	1150.3	305.5	483.0	1261.5	(899.7)	2737.1
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	1232.9	1619.3	1465.2	2050.0	1150.3	1150.3	305.5	483.0	1261.5	(899.7)	2737.1
INTER-AGENCY RECEIPTS											

\* Does not agree with FY80 FCC report approved supplemental for FY78 altered expenditures.

AGENCY: Health & Social Services BRU: General Relief Medical COMPONENT: Physicians Services REVISED: \_\_\_\_\_

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL *	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 80 CONTI
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS. ...	993.1	1340.9	1335.8	1697.5	1224.1	1224.1	305.5	347.5	1044.5	(473.4)	2266.
MISCELLANEOUS											
TOTAL	993.1	1340.9	1335.8	1697.5	1224.1	1224.1	305.5	347.5	1044.5	(473.4)	2266.
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	993.1	1340.9	1335.8	1697.5	1224.1	1224.1	305.5	347.5	1044.5	(473.4)	2266.
INTER-AGENCY RECEIPTS											

\* Does not agree with FY80 FCC report approved supplemental for FY78 altered expenditures.

AGENCY: Health & Social Services BRU: General Relief Medical COMPONENT: Other Services REVISED: \_\_\_\_\_

FY 80 SUPPLEMENTAL REQUEST ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
	FY 78 ACTUAL	FY 79 FINAL AUTH.	FY 79 ACTUAL	FY 80 GOV. BUDGET	FY 80 INITIAL AUTH.	FY 80 CURRENT AUTH.	FY 80 EXPENDITURES + ENCUMBRANCES 7/1/-11/30	FY 80 OTHER OBLIGATIONS 7/1/-11/30	FY 80 PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 80 (DEFICIT) OR EXCESS	FY 80 CONTI.
PERSONAL SERVICES											
TRAVEL											
CONTRACTUAL SERVICES											
COMMODITIES											
EQUIPMENT											
LANDS, BLDG. ...											
PRINTS, CLAIMS, ...	575.5	704.3	328.8	915.6	683.9	683.9	64.8	90.8	760.0	< 231.7 >	1144.5
MISCELLANEOUS											
TOTAL	575.5	704.3	328.8	915.6	683.9	683.9	64.8	90.8	760.0	< 231.7 >	1144.5
FEDERAL RECEIPTS											
REQUIRED GF MATCHING											
OTHER GENERAL FUND	575.5	704.3	328.8	915.6	683.9	683.9	64.8	90.8	760.0	< 231.7 >	1144.5
INTER-AGENCY RECEIPTS											

AGENCY: Health & Social Services      BRU: General Relief Medical      COMPONENT: Nursing Homes      REVISED: \_\_\_\_\_

STATE  
of ALASKA

# MEMORANDUM

Bem  
OCT 25 REC'D

TO: Ron Lehr, Director  
Division of Budget and  
Management  
Office of the Governor.

DATE:

OCT 25 1979

KB 711

FILE NO:

TELEPHONE NO:

FROM: Helen D. Berrine, Commissioner  
*Catherine M. Lloyd*  
Office of the Commissioner  
Department of Health and  
Social Services

SUBJECT: FY 80 Supplemental Request  
Department of Health and  
Social Services  
Appropriation General Relief  
Medical

The Department of Health and Social Services requests a FY 80 supplemental appropriation for the General Relief Medical program in the amount of \$2,961,600 state general funds. This supplemental request has been previously approved in the FY 80 operating plan. (attached)

This program has Legislative Intent as follows:

- A. Medical reimbursements are to be paid at 100% of the Department's fee schedule.
- B. A supplemental is to be requested if actual costs exceed the appropriation.

The FY 80 projection is the same as used in Governor's FY 80 Budget Amendment No. 38 which the Legislature did not fund. The Department does not have any information which would alter these projections at this time.

These projections use the estimated cost of the General Relief Medical program in FY 78, by individual component, as the base for all calculations. This base was adjusted for the following factors:

Caseloau increase A caseload increase reflects the increased number of people eligible to receive services. This increase relates to the increased number of persons eligible for AFDC, AB, AD, and OAA cash assistance programs.

Utilization Rate increase The utilization rate increase reflects the increased percentage of eligibles actually receiving services.

Inflation The rate of inflation shows the increases in the cost of the services provided.

The Nursing Home component was projected nursing home by nursing home basis for FY 79 and FY 80.

Memo to Ron Lehr  
Page 2

	<u>FY 78</u> <u>Base</u>	<u>FY 79</u> <u>Projection</u> *28.3%	<u>FY 80</u> <u>Projection</u> *26.6%	<u>FY 80</u> <u>FCC</u>	<u>FY 80</u> <u>Supplemental</u>
<u>General Relief Medical</u>					
Hospitals	3,389.0	* 4,348.1	* 5,504.7	4,147.9	1,356.8
Physicians Ser.	1,262.1	* 1,619.3	* 2,050.3	1,150.3	899.7
Other Services	1,045.1	* 1,340.9	* 1,697.5	1,224.1	473.4
Nursing Homes	506.7	704.3	915.6	683.9	231.7
Catastrophic	450.0	801.8	754.2	754.2	0
Residential/Home Care			166.4	166.4	0
TOTAL	<u>6,652.9</u>	<u>8,814.4</u>	<u>11,088.7</u>	<u>8,126.8</u>	<u>2,961.6</u>

Assumptions:	<u>FY 79</u>	<u>FY 80</u>
Caseload Increase	9.0%	8.29%
Utilization Rate Inc.	6.3%	5.29%
Inflation	<u>10.7%</u>	<u>10.37%</u>
Composite Rate	28.3%	26.6 %

When all FY 79 bills have cleared through the system, the Department will update these projections based on FY 79 actual expenditures.

Attachment









Department of Health and Social Services

FY'80 Operating Plan

Appropriation General Relief Medical.

Although this BRU is not funded at the Governor's amended request level for FY80, legislative intent indicates that the Department should request a supplemental budget if actual costs exceed the appropriation. The Division's projections are in the FY80 plan column of the attached component expenditure plan.

Summary of potential FY 80 Supplemental Appropriation needs for General Relief Medical BRU.

Components	FY 80 Plan	FY 80 FCC	FY 80 Project Supplement	Funding	
				FED	GF
Hospitals	5504.7	4147.9	1356.8		1356.8
Physician Serv.	2050.3	1150.3	899.7		899.7
Other Services	1697.5	1224.1	473.4		473.4
Nursing Homes	915.6	683.9	<u>231.7</u>		231.7
		TOTAL	2961.6		

Concur Rob Betts  
Division Director/Separate Office Head

Concur Allen O. Beitz  
Commissioner

Concur Samuel H. Zolovist  
Div. of Budget & Management